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# WEEKLY SUMMARY

## CENTRAL INTELLIGENCE AGENCY OFFICE OF CURRENT INTELLIGENCE

State Dept. review completed



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Only scattered incidents have occurred since the UN peace-keeping force became operational on 27 March.

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The Portuguese Government is again reported to be moving toward closer relations with Communist China, but it remains unclear whether early recognition is planned.

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The Communist World

**MODERATE SOVIET POSITION AT UN TRADE CONFERENCE**

The relatively restrained position taken by the USSR at the UN Conference on Trade and Development (UNCTAD) in Geneva reflects Moscow's primary concern for long-range prospects of expanded trade ties with the industrial West, as well as the limited Soviet capability to promote significant growth in trade with the underdeveloped countries. Moscow has linked these two considerations in its propaganda by alleging that Western trade discrimination against the USSR hampers Soviet efforts to improve the lot of the underdeveloped countries.

When the conference was proposed in 1962, the USSR viewed it primarily as a means to embarrass the Western industrial countries. Moscow now appears more concerned that it too may be discomfited by demands from the underdeveloped countries. The USSR has become aware that it is viewed as a rich nation by the have-nots and is counted on to make major contributions to solving their problems. It seems likely that during the conference Moscow expects to find its economic interests akin to those of the developed countries despite its political goals in the underdeveloped nations. Like Western nations, the USSR now has a stake in the economic development of poor nations that limits its tolerance of economic irresponsibility on their part--irresponsibility that in many cases it exploited in developing relations a few years ago.

Moscow's own economic concern at Geneva is to facilitate and improve its trade position vis-a-vis the West, where it must enlarge its exports to support the Khrushchev chemical program. This it hopes to achieve in part by proposing the absorption of GATT functions in a new international trade agency. Such an organization appeals to the poor nations, which want a wider voice in world trade. Moscow also points out that if it earned more hard currency in the West it could buy more from the underdeveloped countries. In fact, however, Moscow will continue to be hard pressed to meet its foreign exchange requirements for major equipment purchases from the industrial West.

One factor preventing a full-scale Soviet propaganda attack on the West presumably is public knowledge of the small role the USSR has played in the trade of underdeveloped countries. Although its purchases from them doubled between 1956 and 1962, the top figure was only about \$600 million--less than annual US purchases of coffee alone. Furthermore, Soviet purchases in any one country have been erratic, causing earnings to fluctuate from year to year. The not-too-heartening prospect held out by the USSR is that by 1980--a distant date to most poor nations--its trade with developing countries may increase eightfold.

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**CHINESE SHARPEN ATTACK ON KHRUSHCHEV**

In the midst of Soviet efforts to convene a bloc conference to discuss Peiping's heresy, the Chinese Communists have flatly stated they will never again compromise their views. They will continue to insist that forceful revolution is the only way to crush capitalism and to attack Khrushchev's line of "peaceful transition."

Their latest challenge to the Soviet leadership, an acid statement published in People's Daily and Red Flag on 31 March, is explicit in warning that, at any new conference, they will not repeat the mistake they made at the 1957 and 1960 gatherings. They point out that at those meetings they made their stand perfectly clear, but were willing to make concessions and agree to a Soviet draft resolution solely to maintain the facade of bloc unity. They now proclaim that these resolutions must be amended by "joint consultations" and be made to conform to the "revolutionary"--or Chinese--"principles of Marxism-Leninism."

The 31 March statement--the eighth in Peiping's series of major polemical tracts answering the open Soviet letter of last July--demonstrates beyond all doubt that Rumania's efforts last month to mediate or dampen the Chinese polemics were ineffective. To an even greater degree than in earlier attacks Khrushchev is singled out for vilification. Communists every-

where are called upon to "repudiate and liquidate" his revisionism. The Soviet premier is berated as a "capitulationist" who can never really bring Communism to the Soviet Union because he actually "represents and serves capitalist forces" now at work in the USSR.

As part of this growing offensive, Chinese representatives last week launched bitter assaults on the Soviets at two international front gatherings. The first occurred during the Afro-Asian Solidarity Conference in Algiers, and at a press conference following the final session the chief Chinese delegate accused the Soviet delegate of "fabrication, distortion and sabotage." The Chinese have been equally disruptive at the "Democratic" Lawyers Congress in Budapest, which coincided with Khrushchev's visit to that city. A Chinese tirade here, however, was drowned out by clapping, stomping, and catcalls..

In the face of the sharpening attack, the Dutch and French parties have publicly criticized the Chinese during the past week, and, clearly acting as spokesmen for the Soviets, have joined the Canadian party in calling for a world Communist meeting as soon as possible. The Soviets themselves have refrained from any formal riposte, but there are growing signs that a major rebuttal is in the offing. Izvestia editor Adzhubei, when queried recently in Paris, warned that

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The Communist World

Moscow's "passive attitude" may not last indefinitely. Khrushchev himself indirectly hit back at the Chinese in a speech to Hungarian factory workers on 1 April.

The Soviet Union finds itself once again faced with a familiar dilemma. The Chinese position that a new conference could not even affirm the 1960

declaration will add weight to the views expressed by the Italian party and others opposed to Khrushchev's repeated requests for a conference on the grounds that it could only lead to a greater split or an unsatisfactory compromise. In view of these obstacles to a conference, the Soviet leaders may decide there is no alternative to attempting some unilateral action against the Chinese.

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## POLISH PARTY FACTIONALISM

Factions	Name	PARTY FUNCTION		NONPARTY FUNCTION		REMARKS
		Politburo	Secretariat	Central Committee Members & Functionaries		
PRO-GOMULKA moderates	Gomulka	Member	First Secretary	CC Member	Premier	Member of Gomulka's "old guard"; heads subgroup of former socialists.
	Cyrankiewicz	Member		CC Member		
	Jedrychowski	Member		CC Member	Chairman, Planning Com.	Long Gomulka's "confidant"; reportedly increasingly independent, and reportedly involved with Partisans, possibly as Gomulka's watchdog; ill.
	Klitzko	Member	Secretary	CC Member	Deputy Marshal of Sejm (Parliament)	"old guard"
	Loga-Sawinski	Member		CC Member	Trade Unions Head	"old guard"; heads subgroup of "pre-Gomulka" moderates; ill.
	Ochab	Member	Secretary	CC Member		Member of Cyrankiewicz subgroup; ill.
	Rapacki	Member		CC Member	Foreign Minister	"old guard"
	Spychalski	Member		CC Member	Defense Minister	
	Roman Nowak			CC Member; Chairman, Party Control Commission	Member, Council of State	
	Krasko			CC Member		
"PARTISANS" hard-line, nationalist, anti-Semitic	Strzelecki			CC Member	Deputy Interior Minister	Partisan "core"
	Moczar			CC Member	Chief, Military Intell.	
	Korczynski			CC Member	Deputy Defense Minister	
	Duszynski			CC Member		
	Witaszewski			CC Member; Head, CC Admin. Dept.		
	Gede			CC Member	Dep. Chair, Planning Comm.	
	Kruczek			CC Member		
	Zenon Nowak			CC Member	Deputy Premier	Frequent supporters of "core" group, depending on issue.
	Ruminski			CC Member	Deputy Minister of Food	
	Szyr			CC Member	Deputy Premier	
"PULAWIANS" "Jewish" group moderate, pro-Gomulka, ex-Stalinist	Tokarski			CC Member	Deputy Premier	
	Wojas			CC Member		
	Starewicz		Secretary	CC Member		Co-opted to Secretariat, July 1963
	Zambrowski			CC Member		Ousted from politburo, July 1963
	Schaff			CC Member	Vice President, Supreme Chamber of Control	Party's "philosopher"
	Kasman			CC Member	Member, Polish Academy of Sciences	
	Leon Stasiak			CC Member	Chief Editor, party daily Trybuna Ludu	
	Gierak	Member	Secretary	CC Member; Head, CC Agitprop		Pro-Gomulka, independent hard-liner; hopes to succeed Gomulka some day.
	Zawadzki	Member		CC Member	Chair, Council of State	Stalinist; ill; shorn of power
	Jarosinski		Secretary	CC Member		Independent, generally pro-Gomulka
OTHERS, including independents and revisionists	Jaszczuk		Secretary	CC Member		Co-opted to Secretariat, July 1963 (Khrushchev "choice"?)
	Jaroszewicz			CC Member	Deputy Premier	Independent, generally pro-Gomulka
	Jagielski			CC Member	Agriculture Minister	Independent generally hard-line, pro-Gomulka
	Morawski			CC Member		"Revisionists" removed from high party office since 1959
	Matwin			CC Member		
	Albrecht			CC Member	Finance Minister	

NOTE: Factional lines are necessarily arbitrary and do not preclude movement between factions.

■ = Jewish

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The Communist World

GOMULKA'S PROBLEMS WITH POLISH PARTY FACTIONALISM

The growing power struggle among Polish party factions is making it more and more difficult for First Secretary Gomulka to exercise effective control. The situation appears to be approaching a climax as delegates are selected for the party congress scheduled to begin on 15 June.

Last year Gomulka made a number of personnel changes in the politburo and secretariat in the hope of ending the feuding through a series of compromises. He also delayed the congress for over a year beyond statutory requirements. Meanwhile he assembled a "preparatory commission" for the congress composed primarily of leaders whose party experience, age, and presumably political persuasion are similar to his. Representatives of the most vociferous and determined factions are vastly outnumbered in this commission.

Gomulka apparently then felt strong enough to call a central committee plenum on 13-14 March to make final preparations. The plenum was reportedly marked by friction carried over from meetings of a party committee which drafted the "theses," or platform, of the congress. One of the sources of this discord was an anonymous pamphlet severely critical of Gomulka and his policies, which had been circulated--allegedly by the hard-line "Partisan" group--at all party levels.

Heartened by Gomulka's failure to restore party unity, the two major warring factions, the so-called "Partisans" and "Pulawians," have intensified their struggle for power. They are trying to discredit Gomulka's poli-

cies--particularly on those issues which have nationalistic overtones--and thus to weaken his hold on the party's center group, which constitutes the majority of its members.

Another issue which the factions can use against Gomulka may have been inadvertently created by party and nonparty intellectual leaders in their recent letter to Premier Cyrankiewicz pleading for relaxation of censorship and a clearer party line on culture.

The factions do not seem intent on unseating Gomulka, but are seeking rather to bring pressures on him to change his policies and to elevate one or another of their members as "policy makers." Nevertheless, the conflict has contributed to a serious diminution of Gomulka's prestige as the nation's political leader, and administrative paralysis has to a large extent gripped both party and government. As a result, Gomulka cannot automatically count on the selection of congress delegates friendly to him, and later, at the conclave itself, he may find it difficult to keep the usually well-managed machinery from breaking down. The presence or absence of Khrushchev--and the firmness of his support for Gomulka--could be decisive in determining whether the meeting will become the scene of an open party split.

If, in the meantime, the contest for power breaks into the open--as it threatens to do--it could affect the stability of the regime by alarming the already restive population.

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The Communist World

**UNIQUE CONFERENCE IN HANOI STRESSES UNITY**

Hanoi has taken a unique step to rally popular support behind its foreign and domestic policies. On 27 March, President Ho Chi Minh convened the first "Special Political Conference" in the regime's history. The 1960 constitution had provided for such conferences as a means of examining "major problems." The two-day conference was attended by representatives of all political parties and mass organizations in the country. The theme was Vietnamese unity, both in the "socialist construction" of the North and in carrying out the revolution in the South.

In a long address, Ho set forth a number of "immediate tasks," including fulfillment of the First Five-Year Plan, support insurgency in the South, and the strengthening of national defense in the North. Apparently reacting to concern among some of his countrymen that the war in the South may escalate to include direct armed attacks on North Vietnam, he claimed that the Communists would in that event be able to inflict a "shameful" defeat on the US or its "lackeys."

The conference communiqué expressed the confidence of the people in the regime's leadership and their determination to

carry out its goals, and called on the delegates to carry the conference decisions back to the people. Thus, while producing no new policy initiatives, the conference provided the Hanoi leadership with an impressive new forum for underscoring the importance it attaches to policies in major problem areas, as well as with an opportunity to evoke an expression of public support. North Vietnamese editorial commentary has put particular stress on the explanations of economic policy given at the conference. This may indicate that concern over economic difficulties was the primary factor in Hanoi's decision to convene it.

It also appears that an effort was made at the conference to stress the compliance of the moderate wing of the party with the regime's current policies. During the past year, this group has seemingly had less impact in policy councils than the party's militant, pro-Chinese faction. Nevertheless, since this conference, which fully endorsed the regime's policies, only the speeches of such moderates as Premier Pham Van Dong, Defense Minister Vo Nguyen Giap, and Vice President Ton Duc Thang have been publicized.

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Asia-Africa

**SOUTH KOREAN OPPOSITION EXPLOITS STUDENT DEMONSTRATIONS**

South Korean President Pak Chong-hui may be hard pressed to control a resurgence of factional infighting among top government personalities following nationwide student demonstrations last week.

Opposition party leaders, bent on bringing down the government, sparked the demonstrations, which protested the government's moves to normalize diplomatic relations with Japan. The demonstrators focused their ire on administration strong-man Kim Chong-pil, whom Pak had sent to Tokyo to break a deadlock over fisheries, the last major issue blocking a Korean-Japanese settlement.

Kim's enemies within the government, seizing on this development, are pressing Pak to get rid of Kim. Pak, however is unlikely to bow to this pressure unless a much more serious threat to his government develops, and Kim would be unlikely to accept ouster without a major struggle.

Since Kim's recall from Tokyo on 27 March, student pro-

tests have tapered off. However, the government's hard-core opponents, led by former President Yun Po-sun, probably will seek to reincite the students. Yun may hope to bring demonstrations to a new peak on 19 April, the anniversary of the 1960 student uprising against the former Rhee regime. The opposition's strategy is to bring unrest to a point where the students will be joined by the general populace and by any discontented military elements.

To forestall such a development, Pak has called for a "cooling-off period" regarding the issue of relations with Japan. Pak believes that with a little time Kim can swing the students to the side of the government.

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In Tokyo, Prime Minister Ikeda is also considering delaying a settlement.

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Asia-Africa

**MAJOR CHANGES IN SOUTH VIETNAMESE MILITARY COMMANDS**

In another move to ensure its political stability, the Khanh government has made major boundary and command changes affecting South Vietnam's III and IV Corps Zones (see map).

As of 1 April, jurisdiction over Kien Phong Province, west of Saigon, was transferred from the III to the IV Corps, and the III Corps Tactical Command Post was moved from the capital area back to the town of Bien Hoa, farther north. These changes, which have the effect of dividing control of troops around Saigon and diminishing the importance of the III Corps headquarters, are probably intended primarily to provide further insulation against still another coup. The retention of reserve and marine units near Saigon may also indicate that Khanh wants reserve forces at hand to assure his control of the area.

Other changes, however, appear designed to facilitate military operations. The jurisdictions of the three divisions in the Mekong delta have been modified to conform more closely with the pattern of Viet Cong activity in those areas. In addition, the area of responsibility of the 5th Division, which previously spread north and east of Saigon, has been

reduced to only three provinces northwest of the city, apparently to concentrate resources in this Communist-infested area. In addition to the Capital Military District, the 7th Division southwest of Saigon--which now includes the Rung Sat Special Zone--will henceforth report directly to the High Command. While Saigon may expect these changes to cause a temporary reduction of military efficiency, it probably hopes the more logical pattern of geographic responsibilities they create will ultimately enhance military effectiveness.

Communist military harassments occurred throughout the country last week. Small-scale attacks and ambushes, however, were generally confined to the southern provinces.

The Viet Cong appear to be stepping up their campaign to assassinate key government officials. A province chief was murdered last week, a district chief died in an ambush, and an attempt was made to kill a division commander. As a part of the Viet Cong's over-all terrorist campaign, the assassinations evidently are designed to make rural authorities reluctant to provide day-to-day "grass-roots" leadership.

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# LAOS



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Asia-Africa

**SHARPENING INTERFACTIONAL DIFFERENCES IN LAOS**

Laotian Premier Souvanna, concerned for the future of his shaky coalition, again is embarked on an effort to drum up support through visits to countries which were key signatories of the Geneva Agreements. He has already left for visits to Hanoi and Peiping, and plans to go later to Moscow, London, and Paris.

Souvanna's regime at the moment is being subjected to particularly severe internal strains. Recent arrests of neutralists by right-wing authorities have prompted Souvanna to send some of his supporters out of Vientiane to neutralist headquarters on the Plaine des Jarres. Moreover, he appears to have lost confidence in the rightist leader, General Phoumi Nosavan, charging that Phoumi is not genuinely supporting the coalition, but is merely maneuvering to absorb the neutralists into his conservative faction.

Phoumi in turn claims that neutralist forces failed to support rightist elements in recent military moves against the Communists and has intimated that the neutralist forces are slipping back toward their earlier policy of collaboration with the Pathet Lao.

Some progress has been made, however, in efforts to bring the factional leaders together to work out long-standing differences. Factional representatives have finally agreed on security arrangements for a tripartite meeting on the Plaine

des Jarres, presumably to be held following Souvanna's return from Peiping next week.

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The Communists have stepped up military pressure against isolated right-wing units in Sam Neua, apparently to consolidate their control over this province, which has long been a base of operations for Pathet Lao forces in northern Laos.

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In southern Laos, government forces have made some progress in a clearing operation against Pathet Lao elements east of Savannakhet.

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Asia-Africa

**AREA NOTES**

Burma: General Ne Win has nationalized another major element of the Burmese economy and has moved to curb further organized opposition to his authoritarian rule.

On 19 March the government announced the nationalization of wholesale and retail outlets for consumer goods in the Rangoon area. Since then, more than 3,300 firms have been taken over, with more nationalizations still to come. Ne Win charged the ex-owners with hoarding and black-marketing, although the government's inefficiency and confusion in handling imports and distribution had encouraged such practices.

In a sudden move last Saturday, Ne Win banned in the name of "national solidarity" all political parties and organizations other than his official Burmese Socialist Program Party, and seized their property and records. The political parties already had been weakened and disorganized by mass arrests.

Ne Win remains reluctant, however, to crack down on the group of Buddhist monks, centered in Mandalay, who have recently intensified their attacks on him and who now comprise the only organized legal opposition to the regime.

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Asia-Africa

**USSR ADJUSTS AID TO YEMEN**

The USSR has agreed not only to provide Yemen with new assistance but also to stretch out repayment obligations for aid extended earlier. Yemeni Deputy Minister of Economics Ahmad Said stated that the program arranged during President Sallal's recent visit to Moscow covered assistance valued at \$70 million. Moscow offered \$10 million in credits for Soviet goods, agreed to provide new credits for perhaps as much as \$25 million, and set up a new 15-year repayment schedule for assistance provided since 1956--apparently \$25 million in economic aid and an estimated \$10 million in military credits.

New economic aid projects include the construction of a gravel road between Hudaydah and Taizz, land reclamation north of Hudaydah, and a geological survey. The USSR is also to build a cement factory and fish canneries and to provide six or seven medium-sized fishing boats and a trawler. Moscow will train several hundred Yemeni personnel in connection with the new projects. In addition, it offered as a gift a 100-bed hospital and clinic and three schools to accommodate 2,000 students.

A number of these undertakings were originally included under the \$25-million credit extended in 1956. However, the bulk of that credit was apparently utilized for just two projects--the port at Hudaydah and the airfield at al-Rawdha.

Soviet aid activity in Yemen has been at a virtual standstill since the airfield was completed last September and the number of Soviet personnel there has declined from 1,000 to around 400. Many of those remaining are engaged in port and airfield maintenance and operation.

According to Ahmad Said, Moscow agreed to build and staff a military academy in Yemen. He did not say, however, whether this is included in the new credits or--like much of the earlier military aid--is an outright grant. Details of any additional military assistance are not known, although this was almost certainly a topic of discussion during Sallal's visit, since the Yemeni minister of defense was in the delegation. Any agreement on new military aid would probably take into consideration Egypt's proprietary interest in the equipping and training of the Yemeni armed forces.

Although some members of the Yemeni delegation to Moscow returned directly to Sana, President Sallal and the ministers of defense, finance, and foreign affairs continued on to Prague--presumably seeking aid there as well. In early 1956 Czechoslovakia provided Yemen with \$30 million worth of military equipment. The only economic aid extended to date has been the construction of a cement plant, also contracted for in 1956.

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Asia-Africa

### THE SITUATION IN CYPRUS

Only scattered incidents have been reported since the UN peace-keeping force in Cyprus (UNFICYP) became operational on 27 March.

Greek Cypriots and British troops of the UN command clashed, without casualties, on 30 March. The Cypriot Government later described the incident as a "mistake" but requested that the Greek Cypriot security force be notified in advance of future UN patrols. UNFICYP commander Gyani refused, presumably fearing that acceptance would have limited the freedom of action of his forces.

does so. Makarios has also appointed two Greek Cypriot cabinet ministers to assume "temporarily" the duties of two of the three Turkish Cypriot ministers. None of the three Turkish Cypriot cabinet ministers has participated in the government since violence erupted in late December, although the Turkish Government has urged them to return to their ministries so as to deprive Makarios of another fait accompli.

Controversy apparently continues within the Greek Cypriot leadership over the final status of Cyprus. Makarios is calling for "unlimited independence," while Georkatzis appears to be trying to exploit the renewed popular demand for "enosis"--union with Greece.

Makarios has taken new political steps against the Turkish community. He has refused to permit Rauf Denktash, second-ranking Turkish Cypriot leader, to return to Cyprus from Turkey--threatening to have him arrested for treason if he

There have been new attacks in the Greek Cypriot press against the alleged pro-Turkish policies of Washington.

the new campaign was inaugurated on 30 March with an article calling for elimination of the "spying" US Government communications stations and nationalization of the American-owned Cyprus Mines Corporation.

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Europe

PORTUGUESE RELATIONS WITH COMMUNIST CHINA

The Portuguese Government is again reported to be moving toward closer relations with Communist China. It is still not clear, however, whether early recognition of Peiping is in prospect.

Foreign Minister Franco Nogueira assured Ambassador Anderson in late January that no decision on recognition would be taken in the near future. He also told a press conference early in February, however, that "China is a reality which sooner or later must be recognized." An official accompanying him to Madrid a few weeks earlier had referred to formal relations as likely.

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By mid-March, when the Portuguese had not done so, the US Embassy in Lisbon concluded that there was no substantial evidence that either Lisbon or Peiping was then seriously considering recognition.

On 25 March, however, a Lisbon journalist told the US Embassy that the government had "suggested" to the press that it help prepare public opinion for recognition of Peiping in

the near future. This may account for the unusual interest the controlled Portuguese news media have been showing in China in the last week or so, as evidenced by announcements by two Lisbon papers of forthcoming special articles on China. One paper has sent a correspondent there.

In pursuing its present course, Lisbon may be genuinely aiming at early recognition. On the other hand, it may believe that the threat of recognition will strengthen its pressure on the US to support its position in Africa--maintenance of which is the primary concern of Portugal's overseas policy.

On its side, Peiping has continued willing to exchange representatives with Western countries provided they break relations with Taipei. However, it seems probable that Peiping would wish to weigh carefully the likelihood of an unfavorable reaction by African states before considering recognition of Portugal. The mid-March issue of Peking Review--the Chinese international propaganda journal--attacks Portugal for its "bloody suppression of the Angolan people." 25X1

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Europe

**AREA NOTES**

Italy: The \$1-billion credit package extended to Italy in mid-March has halted serious speculation against the lira and bolstered the faltering stock market. Government officials have publicized the slight improvement registered since January in some economic indexes, but enduring improvement is unlikely this year. Public confidence appears somewhat shaken by widespread exaggerated reports of growing unemployment and reduced industrial activity.

In the short term, economic stability will depend primarily on how far the government resists the demands of labor, while at the same time, political stability depends on early government action on a wide variety of promised social and economic reforms, including reform of Italy's antiquated civil service system. The Communists are pressing for action on this

sector, and the Communist-dominated labor confederation (CGIL) has called for a nationwide strike of civil servants for 3-4 April. Meanwhile, conservative interests are determined to block various wage increases demanded by the Communists, and both are using this issue to undermine the center-left government.

The civil-servant strike will embarrass the government parties, particularly the Nenni Socialists, whose workers belong to the CGIL. Its political aspect is highlighted, moreover, by the refusal of the major non-Communist confederations to support it. Neo-Fascists and other right-wing opponents of the coalition may attempt to provoke violent clashes between the strikers and the security forces.

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Austria: Prolonged negotiations between Austria's two major parties have resulted in agreement to continue their 18-year-old government coalition, at least temporarily. These discussions had begun in late February when factional quarreling within the conservative People's Party caused the replacement of Chancellor Gorbach by Josef Klaus, a leading advocate of firmness in dealing with the other member of the coalition, the Socialist Party.

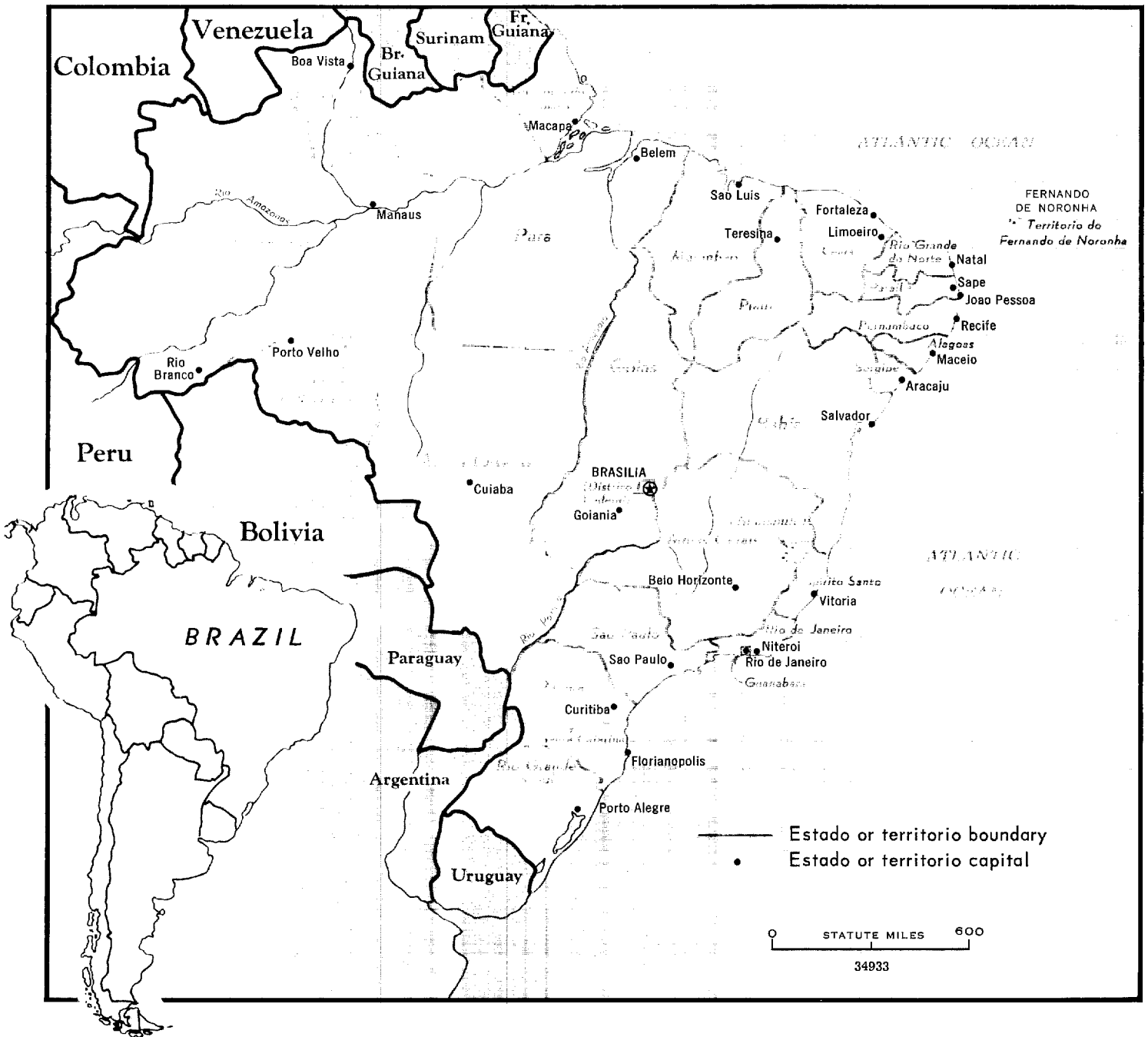
In fact, however, Klaus has had to make new concessions

to the Socialists. In accordance with their recommendations, serious consideration is to be given to shortening the period of military service from nine to six and one half months. Moreover, the government will prevent the return of exiled pretender Otto Habsburg--a particular Socialist target--during the period when the two parties are negotiating a permanent solution concerning Habsburg's personal and property rights. Klaus therefore starts his chancellorship with his prestige already diminished.

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# BRAZIL



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**OVERTHROW OF BRAZILIAN PRESIDENT GOULART**

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In a fast-moving three-day coup, anti-Goulart forces in Brazil seem to have won an almost total victory.

The new President is Raniere Mazzilli, who, as leader of the Chamber of Deputies, was next in the line of succession. He was named President on 2 April by Congress after it declared the office vacated by Goulart.

The revolt was sparked on 31 March by federal troops in the state of Minas Gerais under General Mauro Filho, commander of the Fourth Military Region, who had the support of state Governor Magalhaes Pinto. The governors of Sao Paulo, Parana, Rio Grande do Sul, and Guanabara also indicated support, and by midday on 1 April three of the four armies had joined the rebellion. The rebels are expected soon to end continued resistance --inspired by Brizola--by pro-

Goulart Third Army elements in Rio Grande do Sul.

A roundup of known Communists by security forces in Rio de Janeiro and Sao Paulo has dampened a Communist general strike threat. Pro-Communist Governor Arraes of the northeast state of Pernambuco has been ousted by the Fourth Army. There remains, however, a danger of leftist-provoked violence in Recife, the state capital. In fact, as long as Goulart remains in the country, the left will have a rallying cry and the danger of leftist-inspired popular demonstrations and strikes in Rio and elsewhere will continue. This would be particularly true if leftist student and labor elements are joined by sympathetic noncoms from the armed forces.

Over the longer run, the new regime will be hard pressed to solve Brazil's critical economic and financial problems. It will need financial and technical aid almost immediately to make a start toward economic recovery and assure democratic election of a new president in October 1965, who would take office the following January. Meanwhile, Congress must elect an interim president within 30 days. Mazzilli will serve until it does.

The 54-year-old Mazzilli, a member of the Social Democratic

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Party, is pro-Western and is described as an astute politician especially adept at conciliating opposing viewpoints. Before election to the Chamber of Deputies in 1950, he was associated with the Finance Ministry, serving first as director of the Income Tax Division and then as the minister's chief of cabinet. He had been

president of the Chamber of Deputies since 1958. Although he has flirted with the left on occasion, he is thought of as basically a conservative and defender of the status quo. He almost certainly is acceptable to all those involved in Goulart's overthrow--both civilian and military.

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POLITICAL IMPLICATIONS OF RODRIGUEZ TRIAL IN CUBA

A highly publicized political trial last week in Cuba again drew attention to the divisions between the Castro regime's "new" and "old" Communists.

The defendant, Marcos Rodriguez, was a member of the pre-revolutionary Communist party in 1957 when he allegedly committed the crime for which he was tried--betraying to the Batista police a group of non-Communist student revolutionaries. His initial trial ended on 18 March with a death sentence. Statements both by him and by prosecution witnesses indirectly but pointedly implicated old-guard Cuban Communist leaders. This led to renewed pressure among certain of Castro's "new" Communist supporters for a purge of the old guard leaders who now form part

of his "united" political machine.

On 21 March, Castro announced that the "confusions and doubts" sown by "some intriguers" during the trial necessitated a new trial which should be "as public as a trial can be." These "pseudorevolutionary intriguers," he charged, would be satisfied with nothing less than "rolling the heads of honest revolutionaries" and having the Cuban revolution "devour its own sons, like Saturn." They must be taught a lesson, he said.

The second trial, televised and broadcast, ran from 23 to 30 March. Testimony by Castro, President Dorticos, and other ranking leaders was addressed

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mainly to defending the old-line Communist leaders against the "calumnies" directed at them during the earlier trial. In a four-and-a-half - hour speech from the witness stand on 26-27 March, Castro criticized two prominent members of his official family, one a "new" and the other an "old" Communist. He charged Faure Chomon, now a cabinet officer and a survivor of the non-Communist student group betrayed in 1957, with a serious error in implying at the first trial that the defendant had committed the crime because of his Communist affiliations and not, as Castro claimed, in spite of them. Castro also criticized veteran Communist leader Joaquin Ordoqui, now a deputy minister of the armed forces, for pressing for the defendant's release from prison and thus forcing the government to bring him to trial before it was adequately prepared.

Castro saved his bitterest attack, however, for certain

Cuban newsmen and the newspaper Revolucion in particular for their "lack of revolutionary responsibility" in sensationalizing the case and converting it into a political trial. What these "false" reporters had done, he charged, was to try to divide the revolution and provide ammunition to the "enemy."

On 1 April Rodriguez was again found guilty and sentenced to death. In sacrificing Rodriguez, Castro may hope to appease his regime's "new" Communist supporters. At the same time, his personal intervention on behalf of the old guard may have put them further in his debt and further buttressed his continued predominance in the regime. By resisting pressure for another purge of the old guard, moreover, Castro has avoided what could have become an awkward issue in his relations with Moscow.

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**HAITI'S DUVALIER "ACCEPTS" LIFE PRESIDENCY**

Press releases of 2 April report that Francois Duvalier has declared himself President of Haiti for life. This move follows an intensive campaign by the press and a series of rallies throughout Haiti since early March alleging great "popular enthusiasm" for giving him a life term.

There seems to be no doubt that the campaign was wholly contrived, and individual Haitians seem to be at most apathetic. Duvalier probably will not meet significant resistance to his move, largely because the public is afraid of his political UNCC [redacted]. The large majority of enlightened Haitians--as well as diplomatic personnel accredited to Haiti--have long accepted the fact that Duvalier would never step down. He had already had himself illegally "reinaugurated" to a new six-year term in 1961.

From the early days of his administration, Duvalier has demonstrated his contempt for democratic principles. At that time he referred to elections as "those artificial and useless tensions which engender bitter internal conflict," and told Haitians what they could expect from any attempt to remove him saying "after me, the bloodbath." Now, as then, he may want to flaunt his strength in order to discourage any

possible opposition. He probably also wants to test his principal officials to see if any are foolish enough to cherish presidential ambitions of their own.

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[redacted] Recent newspaper editorials [redacted] have made frequent references to his deification and to the divine mission which he is destined to accomplish.

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There is a possibility of sharply unfavorable international repercussions which might cause Duvalier to reconsider his actions. Even beforehand, Latin American diplomats in Port-au-Prince had reacted adversely to the idea of a life term, and the regime has stated that it wants "warmly cordial relations" with other nations.

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**POLITICAL AND ECONOMIC PRESSURES ON DOMINICAN GOVERNMENT**

The politically weak Dominican provisional government may soon be forced to adopt drastic economic measures likely to antagonize its supporters and provide new political ammunition for its opponents.

The regime, already handicapped by widespread graft involving cabinet members and armed forces leaders, now faces an impending economic crisis. A study just completed by the International Monetary Fund has recommended devaluation of the peso and other radical moves to reverse the rapid deterioration of the country's financial position.

The economy has been slowing down despite favorable world prices for principal Dominican exports--sugar, coffee, and cacao. Although the relative absence of import restrictions has helped to hold down domestic prices, inflationary pressures are growing. Arrears in foreign commercial accounts, moreover, have risen to \$35 million. These problems have been compounded by the continuing political instability, which has discouraged private investment and brought about sizable capital flight.

Devaluation of the peso, a measure currently under study by the triumvirate, would cause a psychological shock in the country, with the heaviest bur-

den of monetary adjustment probably falling on importers. These businessmen, who form an important segment of the government's already limited popular support, have been angered recently by the regime's failure to halt the widespread smuggling and sale of consumer goods by armed forces personnel. Also, the rise in consumer prices likely to result from devaluation would probably upset the normally apathetic Dominican lower class.

Public unhappiness with the continued instability and with mismanagement by recent governments is evident in rising talk of the need for an "iron hand" to run the country's affairs.

Among oppositionists, such talk brightens the political prospects of exiled former President Joaquin Balaguer, who is identified with the "stable" 25X1 Trujillo era. Balaguer, one of the few politicians known throughout the country, has important military support

Balaguer may be the only means to secure a role in future Dominican governments.

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AREA NOTES

Chile: Major political interest in Chile focuses on the national congress of the powerful Radical Party (PR)--scheduled to open on 4 April--to decide on its position in the forthcoming presidential race. It could endorse either Communist-Socialist (FRAP) presidential aspirant Allende or Christian Democrat (PDC) Frei, or field its own candidate. The party's executive board has asked that public statements cease pending the debate at the assembly.

An endorsement of Frei appears unlikely in light of the long-abiding enmity between the PDC and the PR. The belief seems to be general in Santiago that PR endorsement of Allende would probably bring a Communist-Socialist victory in the

national elections. Many left-leaning Radicals have seemingly succumbed to the notion that their participation in a FRAP government would somehow prevent the Communists from translating an Allende triumph into a drastic Marxist reconstruction of the nation.

However, support seems to be growing for the idea of running a Radical, at least for the present, in order to hold the PR together as a major party and to deny its vote to Allende and Frei alike. Such a course would in general favor Frei's prospects in September, and would have the merit of placing the PR in a strong position to maintain its legislative strength in the congressional elections next year.

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